

UK Rural - March 2024

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**SPOTLIGHT**  
Savills Research

# Social value in a rural context

savills



Understanding social value • Enhancing social value • Tangible estate outcomes

“ Social value is a broader understanding of value. It moves beyond using money as the main indicator of value, instead putting the emphasis on engaging people to understand the impact of decisions on their lives. The people’s perspective is critical ” Social Value UK



### TOP THREE TAKEAWAYS

- 1 It's all about people – social value is about making decisions that meaningfully consider the social impact on everyone.
- 2 An increase in social value (and hence decrease in social inequality) is crucial for economic growth.
- 3 Rural estates enhance social value by creating thriving communities through the provision of homes, employment and business opportunities as well as giving access to outdoor space.

# People power

Enhancing the social impact of an estate or farm can benefit landowners, land managers and society as a whole

The focus of this *Spotlight* is social value and what that means in a rural context. We will demonstrate how identifying, recording, enhancing and communicating the social value of a farm or an estate can benefit landowners and managers and, in turn, improve social value for society.

We provide insight into what one large estate is doing to maximise its social impact and we explore how social value can improve the wellbeing of rural communities and generate economic growth.

### WHAT IS SOCIAL VALUE?

It's all about people. People who live, work, visit a farm or estate as well as people who currently don't. It's about making decisions that meaningfully consider the social impact on all these people – their health and wellbeing, their quality of life and longer term, the creation of positive life outcomes.

Since the rise of ESG (Environmental, Social and Governance), through which businesses consider their impacts upon the world, the audience for social value has changed considerably and so has its purpose. It is clear that there are many opinions of what social

value is, but equally there is an acceptance that a singular definition is unimportant. What is important, is that what we are measuring, monitoring or reporting is transparent and understood by the audiences.

For some time, optimistic thinkers have urged governments to embrace an alternative to the economic metric Gross Domestic Product (GDP) as a measure of human progress. The creation of the Social Progress Index (SPI) has gone some way to doing this and is the first holistic measure of a country's social performance that is independent of economic factors.

The SPI measures the extent to which countries provide for the social and environmental needs of their people, using 60 indicators of basic human needs, foundations of wellbeing and opportunity to progress.

In 2024, the SPI showed that the UK ranked 21st in the world and had lost a decade of social progress. While governments and markets continue to refine the precise definition of social value this *Spotlight* will demonstrate how the rural sector can play a role in its provision.

### WHY NOW?

Social value has gained significant momentum over the last few years and now sits at the top of the agenda for many organisations. This has not been driven by policy change or regulation. Ultimately, this is because businesses, as well as individuals, are recognising the importance of creating a positive social impact not only for ethical reasons but also for long-term sustainability and success in delivering economic growth.

### WHY IS IT IMPORTANT TO REVIEW THE SOCIAL IMPACT OF LAND AND PROPERTY OWNERSHIP?

The indirect positive economic impacts delivered by farms and estates to society are often significant, but have not always been acknowledged by key stakeholders, consumers or even landowners themselves.

Examples include money recirculating through local supply chains, job creation, affordable housing provision, environmental benefits, such as the restoration of natural environments, wellbeing benefits and the provision of communal amenities, such as libraries, cricket pitches, playgrounds and



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The UK is ranked 21st on the global Social Progress Index 2024. Denmark holds first place and the United States is 29th

£3.2-£8.4bn

The estimated value of health benefits associated with outdoor recreation within the UK (2020). ONS

community spaces, which host communal events such as harvest festival. Societal expectations are changing, making the engagement of estate owners and land managers with their communities, neighbours, employees and tenants highly important. Understanding the true impact and value of land ownership, as well as how it is managed, is critical if we are to navigate the expectations from society relating to climate, nature and any future social legislation.

### LANDOWNERS AND MANAGERS PLAY A KEY ROLE IN SHAPING PLACES, OFTEN OVER MANY GENERATIONS

In many cases simply by communicating what they are already doing, there is an opportunity for landowners, land managers and rural businesses to create tangible social contributions that will positively impact the whole community. The financial and wider value of rural land can be maximised through increased local engagement, which can improve the attractiveness of rental properties and create places where people want to live and work.

Savills is aware of some estates that have become renowned for the level of service they provide to their tenants, both residential and commercial. There are waiting lists for homes to rent and commercial units, all driven by the local knowledge of the level of quality and service that such estates offer above and beyond their building structures. Estates can develop a good strong brand by delivering a high quality service across their assets, which can increase rents, decrease voids and create a real community of tenants, who will in turn widely sing the praises of the estate.

Enhancing social value can provide opportunities to improve an organisation's reputation leading to increased footfall or demand. More weight is also being applied to social value in the planning process, so projects with a strong social benefit are more likely to succeed."

### DEMANDS FOR INFORMATION ON THE IMPACT AND ACCOUNTABILITY OF RURAL LAND OWNERSHIP ARE INCREASING

Historically, UK agriculture has been focused on food production, but the government's agricultural policy transition towards "public money for public goods" has accelerated discussions about how food production interacts with the natural environment,

ecosystems and society. Stakeholders are becoming more empowered and concerned about sustainability and climate change. Farmland is frequently held up as a solution in the fight against climate change and biodiversity loss. As a result, public authorities, policymakers and consumers are increasingly demanding information on the impact and accountability of rural land ownership.

In 2021, the UK government made it mandatory for certain businesses to comply with the Taskforce on Climate-related Financial Disclosures (TCFD). Listed businesses, financial organisations and "large asset owners" are now required to record and publish their scope 1, 2 and 3 greenhouse gas emissions.

Furthermore, a new set of global disclosures was announced in September 2023, known as the Taskforce on Nature-related Financial Disclosures (TNFD). This framework requires organisations to disclose their nature-related dependencies and impacts across their entire value chain.

Many farms are outside the scope criteria and not directly impacted by TCFD and TNFD, but are increasingly being asked for information on carbon and climate risk from their own customers and suppliers who are reporting against these metrics. We can only assume that reporting on social value output is a potential next step.

Social accountability around land ownership has been a prominent topic in Scottish politics for some time and there is now a greater expectation that it forms part of decision-making in England and Wales. This raises two questions; will the government and potentially supply chains ask farm and estate businesses for information on social accountability and if so when?

The UK government already requires that social value is considered as part of the tender process for many of its biggest outsourcing contracts. The government awards up to 10% of marks for social value under the Public Services (Social Value) Act 2012. Again, we anticipate that social value reporting will become an expected element of business terms as it gains traction and is demanded by wider markets. An early sign of this transitioning to rural estates is the move by The Church Commissioners for England to make its company management accountable to its investor expectations on human rights.

## SAVILLS FOUR PILLARS OF PEOPLE

When delivering social value it is essential to identify all associated stakeholders and people impacted both within and outside of the business. Savills analyses who these stakeholders should be through its four pillars of people (*figure 1*). These represent the different levels of interaction and allow businesses to assess the social value an asset is providing and work out ways it could be amplified. Typically pillars one and two (people who live and work on the estate or farm) are the main focus of social strategy and will be directly impacted by any improvement in social value.

These groups of people are termed as "fixed social value" because their engagement with the asset is a given. The third pillar focuses on people who access a farm or estate through public routes and the fourth pillar focuses on people who would not typically access the farm or estate. The people within the latter two pillars are often given little consideration, but when the needs of the people within pillars three and four are considered this sends a clear message that a business is actively working to improve its social value. The scope to improve social value for people within pillars three and four is often greater than for those in pillars one and two.

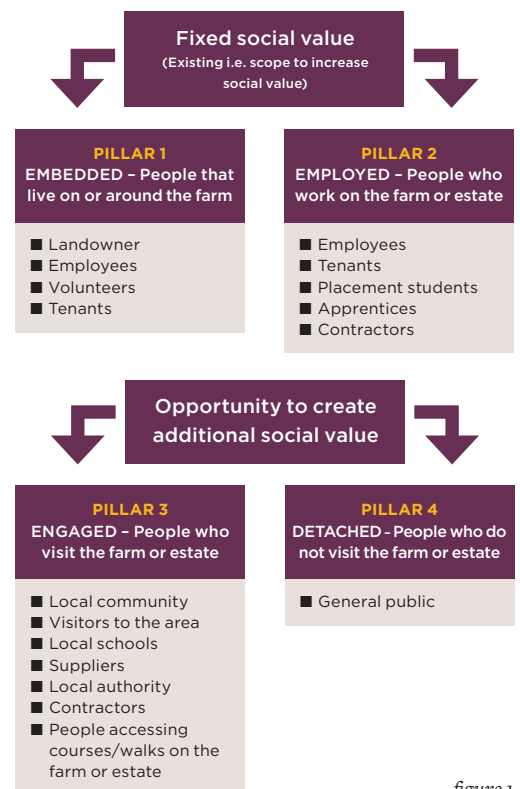


figure 1

“Indirect or direct exposure to nature, having a view of nature and spending time outside in natural settings, are linked to improvements in physical, mental and social wellbeing” ONS 2022

17%

increase in the number of students enrolling in agricultural courses since 2020

44%

increase in female students studying agriculture

# How to deliver greater social value

Identifying and analysing all the various activities that take place on an estate or farm is an essential first step

A rural estate or farm wishing to further understand its impact and improve its social value will benefit from identifying the associated stakeholders through the Savills four pillars of people model (see figure 1 on page 3). To further understand the impact of the estate or farm’s actions on its stakeholders, it is important for landowners and managers to undertake an activity mapping exercise.

Activity mapping provides a quick and feasible way to identify which current activities might be generating a positive or negative impact for social value and which can serve as a basis for planning the expansion of these impacts in the future.

Figure 2 provides an illustrative example of what activity mapping for social value could look like. First, begin by listing all the activities taking place across the estate and select which impacts are most relevant.

The circles then indicate the likely impact of those activities, with the colours signifying

whether the impact is positive or negative. The size of the circle indicates the magnitude of that impact.

As businesses strive to make decisions that optimise social value, it makes sense to compare the expected impact to any intended changes to a baseline. Data such as the number of homes provided (old and new), employment figures from businesses on the estate, metrics of public access (km of footpaths and bridleways), provision of community facilities such as play areas and village halls can be gathered.

The baseline represents the “as-is” scenario and serves as a benchmark, helping to gauge the extent of actions required to achieve the desired outcomes. The baseline is a comparative tool that can help discussions around difficult trade-offs and enable progress to be monitored. In the first instance, the baseline should consider a qualitative assessment of the impact of each of the different activities that have been mapped.

### HOW TO ASSESS SOCIAL VALUE?

- 1 Identify stakeholders – develop your own four pillars of people
- 2 Activity mapping – list all the activities taking place across the estate or farm and select which impacts are most relevant (figure 2)
- 3 Agree the desired outcomes – involve the community via a charrette (see Hatfield Park Estate case study on page 6)
- 4 Create a baseline to monitor progress



| ACTIVITIES                                                              | IMPACTS              |                 |                 |                 |                    |                 |
|-------------------------------------------------------------------------|----------------------|-----------------|-----------------|-----------------|--------------------|-----------------|
|                                                                         | Carbon sequestration | Biodiversity    | Aesthetic value | Jobs            | Community cohesion | Air quality     |
| Marginal land is replaced by appropriate native woodland                | Positive impact      | Positive impact | Positive impact | Positive impact | No impact          | Positive impact |
| Creation of commercial units for local businesses                       | Negative impact      | No impact       | Negative impact | Positive impact | Positive impact    | Negative impact |
| A farm tenant runs farm visits for a local school                       | No impact            | Negative impact | Negative impact | No impact       | Positive impact    | Negative impact |
| Footpaths are built and new signage is installed through woodland areas | Negative impact      | Negative impact | Negative impact | Positive impact | No impact          | No impact       |
| A tenant on the estate sets up a farm shop                              | Negative impact      | Positive impact | Negative impact | Positive impact | Positive impact    | Negative impact |

figure 2

Illustrative example only

“As businesses strive to make decisions that optimise social value, it makes sense to compare the expected impact to any intended changes to a baseline”

“The ultimate goal of a society is a combination of human flourishing, happiness and wellbeing – the concept of ‘eudaimonia’” *99 Aristotle 2,500 years ago*

# Opportunities for estates and farms

Social wellbeing plays a vital role in the community

The current pressures from the agricultural transition and the cost of living along with continued regulation, price volatility and weather extremes bring significant personal and business challenges to the farming sector. Rural communities are impacted by factors such as isolation, poverty and the availability of jobs and homes. According to the internationally-recognised Warwick-Edinburgh Mental Wellbeing Scale, the farming community has a lower average mental wellbeing than the UK population.

But evidence from Scottish Land & Estates (SLE) has proved that rural estates can be major contributors to improving wellbeing and consequently mental health in rural areas. One of the most important and direct ways they can contribute is by providing homes for people to live in. Affordable local housing, both for rent and private sale, are a crucial way for rural estates to improve social value.

## SOCIAL ENTREPRENEURSHIP

While rural communities have to manage multiple challenges they also have a long history of self-reliance and social entrepreneurship that connects people at a local level. Support is growing, with an increasing number of local and national charities offering mental health support specifically to the farming sector. These include YANA – Rural Mental Health Support, the mental health charity MIND, The DJP Foundation in Wales, The Royal Agricultural Benevolent Institution (RABI), The RSABI in Scotland and The Addington Fund.

Further good news is the Higher Education Statistics Agency reports that enrolments into agricultural-based higher education courses have risen by 17% since 2020 and that there has been a 44% increase in female students over the last five years. An influx of a more diverse and younger demographic into agriculture will hopefully bring inspiration and innovation to boost the sector.

## THE ECONOMICS OF WELLBEING

The Scottish government has a vision to establish a wellbeing economy, which means an economic system that serves and prioritises the collective wellbeing of current and future generations. Two key factors link wellbeing to economic performance: social inequality and environmental sustainability. The causal links between inequality and sub-optimal economic

performance are well established. Research by the Organisation for Economic Co-operation and Development has shown that UK GDP is already at least 9% lower than it should be because of rising inequality.

In 2022, SLE wanted to assess how rural estates contribute to the development of a wellbeing economy, so together with BIGGAR Economics they quantified how our rural estates are vital in sustaining rural communities and in driving local economic development through agriculture, forestry, tourism, recreation and renewable energy generation.

The report concluded that rural estates make a substantial contribution to building a wellbeing economy in Scotland. The largest contribution is to natural capital, principally due to the role estates play in protecting, enhancing and providing access to the environment. However, it conclusively confirmed that estates are vital in sustaining rural communities and driving local economic activity.

In England, the Country Land and Business Association (CLA) has commissioned a project to explore the social benefits that landowners provide for their communities. Partnered by the Countryside and Community Research Institute (CCRI), the project aims to quantify the social value delivered by the CLA's members. A comprehensive survey of its 26,000 members together with workshops will provide data that the CCRI can analyse for its report, due to be published this spring.

Economists have only recently started to understand the vital role that social value plays in supporting economic performance. Mounting evidence shows social value can explain the differences in economic performance and where skills levels are relatively low (as they are in many rural areas) high levels of social value can compensate to some degree as a stimulus for economic growth.

In conclusion, BIGGAR Economics found clear evidence that rural estates make a substantial contribution to the prosperity of the rural economy. Rural land provides jobs and generates wealth in areas where alternative opportunities are scarce. Rural estates also play a key role in helping rural communities thrive. The provision of homes for people to live in and land for rural enterprise, alongside the engagement of communities in decision-making, are all key elements in creating social value.



## CASE STUDY THE DUCHY OF CORNWALL

The first private landlord to launch a specific mental health strategy is The Duchy of Cornwall, who, alongside HRH The Prince of Wales, are focused on the mental health, wellbeing and resilience of their farmers and wider rural communities. The Duchy is aiming to destigmatise mental health within the agricultural sector and become a leading provider of mental health support to its tenants. The Duchy has partnered with the Royal Agricultural Benevolent Institution, The Farming Community Network and We Are Farming Minds, a charity co-founded by two of its tenants. The Duchy has committed to a three-year programme working with the charities to provide tenants with support and has developed a three-phased approach for its mental health strategy:

**1** Every tenant across the Duchy estate has been provided with access to a wellbeing support service along with a fridge magnet with the details of how to access this. In addition, the farming tenants have been linked with the three farming help charities who have been provided with funding from the Duchy to allow them to support tenants in times of need.

**2** To combat loneliness within its farming communities, The Duchy is running a series of pasty and pint nights and other social occasions to bring people together, without an agenda.

**3** Reinforcement of the importance of mental health, wellbeing and resilience, provision of support and giving everyone the ability to talk is being made by The Duchy on every occasion to ensure that the message is heard loud and clear.

Although still in the early days of the strategy, The Duchy has already seen the effect, with mention of the fridge magnets being made by its most isolated tenants. The Duchy will monitor progress every six months and review how it is supporting its tenants. While financial investment has been made into launching the strategy, The Duchy considers it a drop in the ocean compared to the importance of the wellbeing of its tenants.



“While history has defined both our values and the place, our primary focus is ensuring that Hatfield Park remains a vibrant location and an environment that is fit for the demands of 21st century lives” Anthony Downs, Estate Director

# Bringing social value to life at Hatfield Park Estate

An approach that brings tangible outcomes and solutions to the whole community

Hatfield Park is a diverse rural estate and has been the home of the Cecil family since the early 17th century. The Jacobean house and formal gardens are surrounded by around 80 hectares of historic parkland, providing the heart to an estate that encompasses more extensive farmland, woodland, and residential and commercial properties on the edge of Hatfield, Hertfordshire. The houses range from period farmhouses and cottages through to newly built townhouses and flats, with the commercial properties including a variety of office premises as well as retail, workshops and storage units.

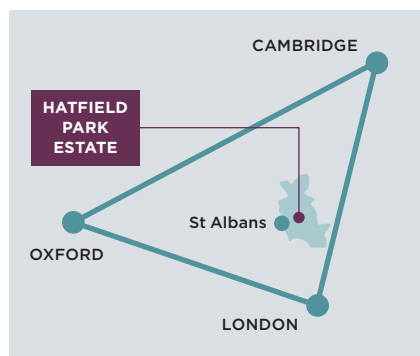
The estate holds great historical and cultural significance. Part of the Bishops Palace, built in 1497, still stands and was the childhood home of Queen Elizabeth I. Today, the house, gardens, historic park, on-site dining and boutique shops are a popular destination for the local community and visitors from further afield.

## WHERE THE CITY MEETS THE COUNTRYSIDE

Although Hatfield Park is a working rural estate, there is a strong urban influence due to its location in the town of Hatfield. It is 20 minutes by rail from central London and an estimated four million people live within 40 minutes of the estate. This brings both opportunities and challenges, which have influenced actions to future-proof the estate to benefit the people who live and work there, the local and wider community, historians, tourists and other national and international stakeholders.

## A SOCIAL VALUE VISION - PUTTING PEOPLE AND THE ENVIRONMENT FIRST

In recent years Hatfield Park has spoken of its vision encompassing social value “to grow lasting commercial and social value for the communities we serve”. While many estates have long delivered elements of social value, it is critical to better communicate what this means in today’s world. Rather than being seen as a historical curiosity, it is important that the estate looks to the future and demonstrates how activities and actions reflect a longstanding commitment to communities, the environment and genuine sustainability. The estate recognises that the actions of the business has an ability to impact



**20**  
Hatfield Park Estate is 20 minutes by rail from central London and an estimated four million people live within 40 minutes of the estate

many stakeholders including residential and commercial tenants, partners, local residents and the wider community, reflecting the importance of the Savills four pillars of people (figure 1).

## REDISCOVERING HISTORIC VALUES

Hatfield Park’s long history and diverse interests mean that it is intrinsically linked to the local town and community. In times of constant and rapid change, the estate is often seen as a constant, a touchpoint that can be relied upon for a positive, consistent and long-term approach.

“The estate has existed for over 400 years and aspires to continue thriving in the centuries ahead. We seek to be forward-thinking and to be economically, socially and environmentally sustainable. We will continue to conserve and curate our landscapes and historic buildings, while providing educational opportunities, memorable events and experiences. In addition to playing a part in the vibrancy of existing communities, the estate hopes to develop several new sustainable neighbourhoods, thereby creating modern homes, employment space, shops, schools and community facilities.

4,000

Hatfield Park will provide circa 4,000 homes for the local community

50,000m<sup>2</sup>

Circa 50,000m<sup>2</sup> of employment space will be provided by the estate, along with a secondary school and two primary schools

“While social value is a relatively new term, it does capture many of the values and actions that have characterised this and many estates over the centuries. While history has defined our buildings, our setting and will remain an important part of Hatfield Park’s identity, it is our approach to the future, our role in delivering tangible outcomes and solutions to the many challenges faced by society that will ultimately secure and preserve our reputation.” *Anthony Downs, Estate Director*

#### WHAT DOES SOCIAL VALUE MEAN FOR HATFIELD PARK ESTATE?

The estate management team at Hatfield Park take great pride in how they execute projects and undertake their ongoing management responsibilities. There is a clear and consistent approach to ensure that company goals are understood and how they relate to the aim of growing lasting social and commercial value. The five company goals, to achieve sustainable profits, build vibrant communities, ensure

positive environmental impacts, while remaining simple to operate with a happy team will assist the estate’s success in this. Everything the team undertakes at Hatfield Park is essentially driving one or more of these goals. *Figure 3* illustrates the social impact of the estate.

#### FINANCIALS ARE IMPORTANT TOO

Conservation work, whether in the built or natural environment, and broader educational or community benefits can only be provided if the estate makes a satisfactory profit. Hatfield Park Estate aims to make sustainable profits by deriving revenue from running the business well and in a way that the estate is proud of. Good profits come from looking after properties and spaces responsibly, ethically and sustainably, providing great places to live, work and relax. Sustainable profits allow Hatfield Park Estate to continue to invest in its buildings, its historic landscapes, its people and the local community into the future.

#### WHAT IS A CHARRETTE AND HOW DOES IT WORK?

In 2008, the estate adopted an initiative called a charrette to facilitate this. The word charrette is derived from old French to describe how students of architecture were invited to voice their ideas. Charrettes have been used over the years at Hatfield Park to enable the estate to listen to the voice of the local planners, businesses and residents through public workshops and discussions. It provides an open forum in which the estate and community can consider new ideas, explore different views and seek to establish consensus. Greater collaboration, the early sharing of ideas and complete openness within such forums can deliver tangible benefits both in building and maintaining relationships and shaping future policy direction. Hatfield Park’s experience of the charrette process suggests that such events can prove a powerful tool in increasing collaboration between different sectors of the community and delivering effective solutions.



#### SOCIAL VALUE

Social value brings positive outcomes for the estate and increasingly people beyond its boundary by:

- Delivering social and environmental benefits
- Ensuring good business practice
- Providing transparency and engagement at all levels
- Ensuring that the estate is at the heart of a wider dialogue, shaping opinion and remaining relevant to local communities
- Helping ensure the estate is up to date and in line with public opinion
- Providing leadership on local issues

#### DELIVERING SOCIAL VALUE AT HATFIELD PARK ESTATE

The estate considers social value under four broad themes: ① Built environment ② Natural environment ③ Education ④ Leadership. The estate engages with the community in a variety of ways, including a series of popular and well-supported charrettes.

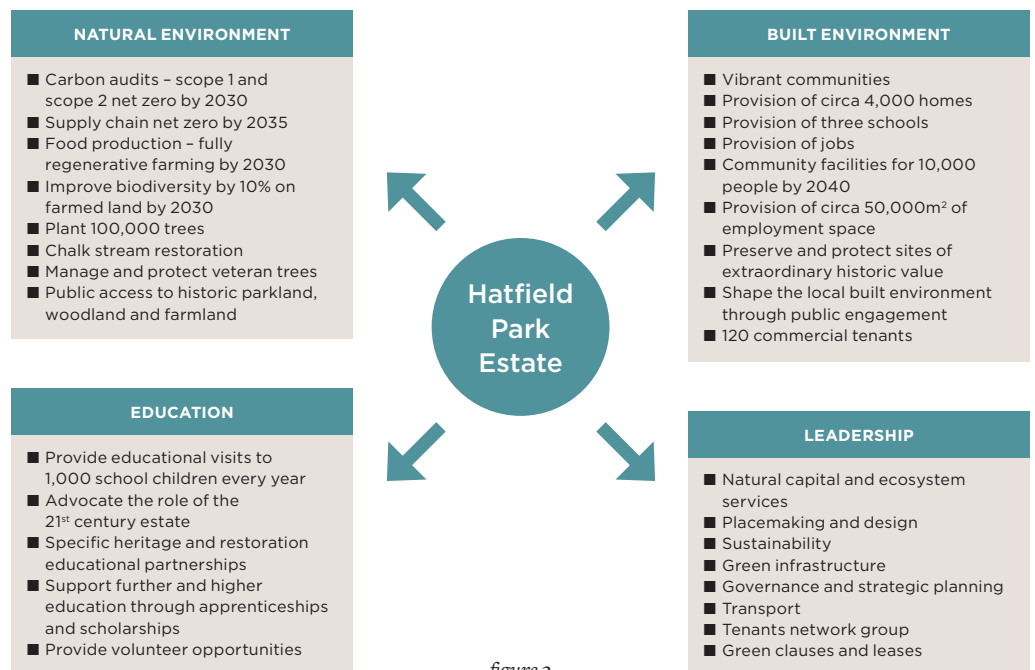
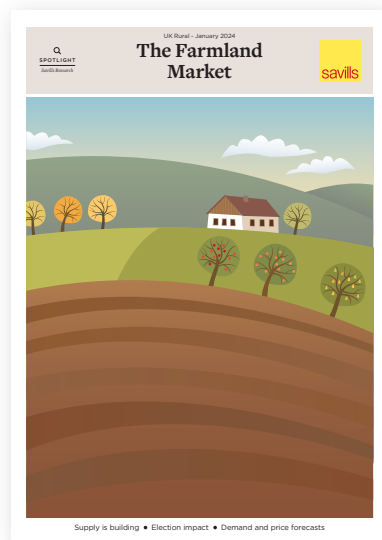
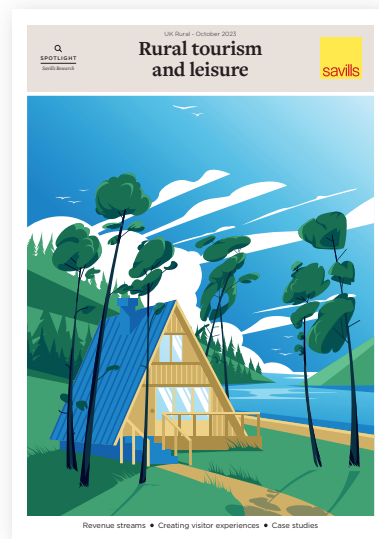


figure 3

“Good profits come from looking after properties and spaces responsibly, ethically, and sustainably, providing great places to live, work and relax”



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